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Westly: Receipts Up More Than \$5 Billion

Controller Finds Revenue Is On Course With Budget Estimates

SACRAMENTO – State Controller Steve Westly announced today that cash receipts through February are up 11.2 percent over the same period last fiscal year, a more than \$5 billion increase.

Compared to the budget forecast, income taxes for the fiscal year are slightly ahead, while sales tax revenue is slightly behind, Westly said. Total receipts to date for the current fiscal year are \$31.4 million higher than the most recent budget estimate, an increase of 0.1 percent.

“There is no doubt that California’s revenues are hovering around estimates and outperforming last year’s numbers,” Westly said. “But the bottom line is this alone won’t solve our budget problems,” Westly said.

July through February receipts showed significant gains compared to the same eight months last fiscal year, according to the State Controller’s monthly General Fund Cash Basis Revenue Report. Retail sales and use taxes were 5.1 percent higher; personal income taxes were 12.1 percent higher; and corporation taxes were 35.9 percent higher.

Retail sales and use taxes came in at \$16.3 billion this year, \$796.4 million above the same period last fiscal year. Personal income taxes generated \$26 billion, \$2.8 billion above last year.

Corporation taxes yielded \$4.4 billion, \$1.2 billion above last year. While this sector showed significant gains, it makes up a relatively small portion of state revenues. In addition, corporations often base initial tax payments on estimates, which are revised later in the tax season.

Excerpt of General Fund Cash Basis Revenue report follows.

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STATE CONTROLLER'S OFFICE
GENERAL FUND CASH BASIS REVENUE **
A comparison of Fiscal Years 2004-05 to 2003-04
(Amount in thousands)

Fiscal Year 2004-05

Revenue	July	August	September	October	November	December	January	February	Total
Alcoholic Beverage Excise Tax	30,760	26,353	26,329	26,320	21,247	32,138	29,549	16,576	209,272
Corporation Tax	329,974	157,015	1,735,689	366,069	32,705	1,222,928	430,371	170,539	4,445,290
Cigarette Tax	15,889	7,153	8,376	10,699	7,529	14,462	8,273	6,468	78,849
Estate, Inheritance, and Gift Tax	70,367	47,992	56,525	41,386	36,300	38,934	18,870	31,527	341,901
Insurance Companies Tax	19,926	15,075	469,721	21,210	14,398	471,924	16,429	16,505	1,045,188
Personal Income Tax	2,501,625	2,470,250	4,060,459	2,657,548	2,351,129	4,170,408	6,277,579	1,490,990	25,979,988
Retail Sales and Use Taxes	983,743	2,829,447	2,011,596	849,943	3,342,672	2,034,811	884,619	3,369,650	16,306,481
Pooled Money Investment Interest	10,571	13,426	-	7,186	19,620	9,317	13,145	15,707	88,972
Not Otherwise Classified	87,764	136,717	73,873	120,758	427,710	196,783	49,184	116,734	1,209,523
Total	4,050,619	5,703,428	8,442,568	4,101,119	6,253,310	8,191,705	7,728,019	5,234,696	49,705,464

Fiscal Year 2003-04

Revenue	July	August	September	October	November	December	January	February	Total
Alcoholic Beverage Excise Tax	32,070	25,241	24,706	28,466	28,782	24,657	31,604	18,969	214,495
Corporation Tax	252,030	116,949	1,324,830	260,836	65,675	976,566	161,176	113,563	3,271,625
Cigarette Tax	10,452	12,892	7,742	8,023	7,024	13,711	8,202	7,835	75,881
Estate, Inheritance, and Gift Tax	59,763	42,448	49,572	59,208	53,344	61,879	38,659	29,869	394,742
Insurance Companies Tax	18,219	14,255	423,612	17,224	12,992	417,293	15,179	15,813	934,587
Personal Income Tax	2,325,968	2,245,564	3,688,587	2,457,983	1,822,901	3,882,765	5,339,567	1,412,540	23,175,875
Retail Sales and Use Taxes	898,649	2,816,615	1,790,113	923,976	2,867,920	2,018,467	890,918	3,303,428	15,510,086
Pooled Money Investment Interest	11,137	9,801	15,730	2,167	17,091	5,060	7,265	10,145	78,396
Not Otherwise Classified	102,871	50,604	105,856 *	63,888	405,566	98,794	87,992	109,845	1,025,416
Total	3,711,159	5,334,369	7,430,748	3,821,771	5,281,295	7,499,192	6,580,562	5,022,007	44,681,103

Comparison

Revenue	July	August	September	October	November	December	January	February	Total
Alcoholic Beverage Excise Tax	(1,310)	1,112	1,623	(2,146)	(7,535)	7,481	(2,055)	(2,393)	(5,223)
Corporation Tax	77,944	40,066	410,859	105,233	(32,970)	246,362	269,195	56,976	1,173,665
Cigarette Tax	5,437	(5,739)	634	2,676	505	751	71	(1,367)	2,968
Estate, Inheritance, and Gift Tax	10,604	5,544	6,953	(17,822)	(17,044)	(22,945)	(19,789)	1,658	(52,841)
Insurance Companies Tax	1,707	820	46,109	3,986	1,406	54,631	1,250	692	110,601
Personal Income Tax	175,657	224,686	371,872	199,565	528,228	287,643	938,012	78,450	2,804,113
Retail Sales and Use Taxes	85,094	12,832	221,483	(74,033)	474,752	16,344	(6,299)	66,222	796,395
Pooled Money Investment Interest	(566)	3,625	(15,730)	5,019	2,529	4,257	5,880	5,562	10,576
Not Otherwise Classified	(15,107)	86,113	(31,983)	56,870	22,144	97,989	(38,808)	6,889	184,107
Total	339,460	369,059	1,011,820	279,348	972,015	692,513	1,147,457	212,689	5,024,361

Percentage Over/Under

Revenue	July	August	September	October	November	December	January	February	Total
Alcoholic Beverage Excise Tax	(4.1)%	4.4%	6.6%	(7.5)%	(26.2)%	30.3%	(6.5)%	(12.6)%	(2.4)%
Corporation Tax	30.9%	34.3%	31.0%	40.3%	(50.2)%	25.2%	167.0%	50.2%	35.9%
Cigarette Tax	52.0%	(44.5)%	8.2%	33.4%	7.2%	5.5%	0.9%	(17.4)%	3.9%
Estate, Inheritance, and Gift Tax	17.7%	13.1%	14.0%	(30.1)%	(32.0)%	(37.1)%	(51.2)%	5.6%	(13.4)%
Insurance Companies Tax	9.4%	5.8%	10.9%	23.1%	10.8%	13.1%	8.2%	4.4%	11.8%
Personal Income Tax	7.6%	10.0%	10.1%	8.1%	29.0%	7.4%	17.6%	5.6%	12.1%
Retail Sales and Use Taxes	9.5%	0.5%	12.4%	(8.0)%	16.6%	0.8%	(0.7)%	2.0%	5.1%
Pooled Money Investment Interest	(5.1)%	37.0%	(100.0)%	231.6%	14.8%	84.1%	80.9%	54.8%	13.5%
Not Otherwise Classified	(14.7)%	170.2%	(30.2)%	89.0%	5.5%	99.2%	(44.1)%	6.3%	18.0%
Total	9.1%	6.9%	13.6%	7.3%	18.4%	9.2%	17.4%	4.2%	11.2%

* Excludes 2,263,609 received on 09/30/03 from the issuance of Tobacco Securitization Bonds.

** This information is based upon funded cash. Fund cash is cash reported to and recorded in the records of the State Controller's Office. Amounts reported as funded cash may differ from amounts in other reports to the extent there are timing differences in the recording of in-transit items.

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General Fund Cash Basis Revenues for the month of February 2005 *

In thousands

	February 2005		Actual Over or (Under) Estimate	
	Actual	DOF's 2005-06 Governor's Budget Estimates		
Alcoholic Beverage Excise Tax	16,576	20,000	(3,424)	(17.1)
Corporation Tax	170,539	129,000	41,539	32.2
Cigarette Tax	6,468	9,000	(2,532)	(28.1)
Estate, Inheritance, and Gift Tax	31,527	21,000	10,527	50.1
Insurance Companies Tax	16,505	21,000	(4,495)	(21.4)
Personal Income Tax	1,490,990	1,785,000	(294,010)	(16.5)
Retail Sales and Use Taxes	3,369,650	3,571,000	(201,350)	(5.6)
Pooled Money Investment Interest	15,707	22,000	(6,293)	(28.6)
Not Otherwise Classified	116,734	37,000	79,734	215.5
Total Revenues	5,234,696	5,615,000	(380,304)	(6.8)

General Fund Cash Basis Revenues as of February 2005 *

In thousands

	DOF's 2005-06 Governor's Budget Estimates		Actual Over or (Under) Estimate	
	Actual	Estimates		
Alcoholic Beverage Excise Tax	209,272	206,009	3,263	1.6
Corporation Tax	4,445,290	4,252,452	192,838	4.5
Cigarette Tax	78,849	78,646	203	0.3
Estate, Inheritance, and Gift Tax	341,901	317,570	24,331	7.7
Insurance Companies Tax	1,045,188	1,034,330	10,858	1.0
Personal Income Tax	25,979,988	25,816,011	163,977	0.6
Retail Sales and Use Taxes	16,306,481	16,547,401	(240,920)	(1.5)
Pooled Money Investment Interest	88,972	105,803	(16,831)	(15.9)
Not Otherwise Classified	1,209,523	1,315,822	(106,299)	(8.1)
Total Revenues	49,705,464	49,674,044	31,420	0.1

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